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**Unit 7 – Economics**

**Part 1 – Economic Vocabulary [CE 11a]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 1. Resources are always limited; we cannot satisfy all wants at the same time. (P.356)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. Factors of production, made up of four types; human (labor), natural (land), capital, and entrepreneurship. (P. 351-352).

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 3. What is given up when a choice is made? (P.356)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 4. They are determined by the *law of supply and demand*. (P.379)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 5. The government offers these to change economic behavior by stimulate an area of the economy. For example, the General Assembly could reduce taxes on technology companies to attract new companies to locate in the state. (P.357)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 6. The amount of a good or service that consumers are willing and able to buy at different certain prices. (P.379-380)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_7. The amount of a good or service that producers are willing and able to sell at certain different prices. (P.379-380)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 8. When resources are combined to create the finished goods and services that people want to buy. (P.352)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 9. The buying and using of finished goods and services. (P.354-355)

**Part 2 – Types of Economies [CE 11b]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_10.What are the three basic economic questions (decisions)? P358

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 13. In this type of economy, decisions are made based upon long-established customs, with defined family roles. (P. 363-367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 14. In this type of economy private ownership, free choices, and competition make the economic decisions. (P.363-367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 15. In this type of an economy everything is owned and planned by the government. (P.363-367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 16. The difference between the cost of production and the money received from buyers. (P.367)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 17. It drives decision-making in a market economy as producers try to attract consumers and workers try to get jobs. (P.366)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 18. The part of the economy made up of individuals and businesses. (P.484-485)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 19. The part of the economy made up by governments. (P.484-485)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20. Most economies today are this, including the United States and China, combining parts of the different types of economies. (P.368)

**Part 3 – The United States Economy [CE 11c]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 21. What is true about the government’s involvement in the marketplace in the United States? (P.369)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 22. Who owns the factors of production in the United States? (P.369)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 23. Who are free to produce and distribute goods and services they think will sell, in competition with their peers? (P.369)

**Part 4 – Business ownership [CE 12a]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 24. Business with one owner who takes all the risks, but keeps all the profits. (P.384-385)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 25. Business in which two or more people share ownership, with its risks and profits. (P.384-385)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 26. Business that operates legally separate from its owners. (P.384-385)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 27. A person who takes a risk and starts a business in search of profits. (P.382)

**Part 5 – Economic Circular Flow [CE 12b]. Identify who is taking the following actions in the circular flow of Economics. (P.484-485)**

**A. Individuals B. Business C. Government**

\_\_\_\_\_ 28. Buy resources (land, labor, and capital) \_\_\_\_\_ 31. Sell products, goods, and services

\_\_\_\_\_ 29. Sell resources (land, labor, and capital) \_\_\_\_\_ 32. Collects taxes from the private sector

\_\_\_\_\_ 30. Buy products, goods, and services \_\_\_\_\_ 33. Provides public goods and services

**Part 6 – Private Financial Institutions and Money [CE 12c, 13f]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 1. They exist to make a profit; their largest source of revenue is the difference between what interest they pay on deposits and what interest they charge to customers who borrow money. (P.465)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. This type of financial institution was set up to accept savings deposits and make loans to families buying land to build houses. (P.467)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 3. A nonprofit banking institution that serves only its members, who often work for the same organization. (P.467)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 4. The first and most basic function of money. (P.456)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 5. Term for the coins and paper bills (Federal Reserve notes) that are used as money. (P.458)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 6. Customers can spend their deposited money using these. (P.463)

**Part 7 – Federal Reserve [CE 13d]**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 7. It is the central bank of the United States. (P.469)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 8. In this function, the Federal Reserve governs the business of banking. (P.473)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 9. The Federal Reserve fills function role by changing the reserve requirement, changing the discount rate, or buy and sell government bonds. (P.474)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 10. The Federal Reserve acts in this function by collecting peoples’ tax deposits and keeping the federal government’s checking account. (P.471)

**Part 8 – Federal Government and the Economy (CE 13a, 13c)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 11. This Executive agency makes rules for radio and television stations. (P.253)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 12. It regulates business to protect the health of citizens and the environment. (P.432)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 13. It was created in 1914 to regulate companies to control monopolies from forming. (P.437)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 14. The Sherman and Clayton Anti-trust acts are enforced by the federal government to prevent these from forming. (P.437)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 15. This amendment to the Constitution created the federal income tax. (P.152)

**Part 9 – Personal Finance (CE 14)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 16. Name one way new technology has affected the job market. (P.417)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 17. Making one of these is a good way to set aside enough money for the things you need. It also helps you from buying more than you can afford. (P.406)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 18. This is a manufacturer’s promise to repair an item if it breaks within a specified time period. (P.410)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 19. When you use credit, you have to pay this additional cost. (P.411)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20. A plan by which a company gives protection from the cost of injury or loss. (P.415)